

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 2 — 0 2

2. STATE:

West Virginia

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☒ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 U.S.C. 1396r-8

7. FEDERAL BUDGET IMPACT: Savings 21 Million

a. FFY -0- \$ -0- FFP/year

b. FFY -0- \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 2 to
Attachment 3.1-A and 3.1-B
Page 4 and 4a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:

This state plan will institute a pharmacy preferred drug list and a supplemental rebate program

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Nancy V. Atkins

13. TYPED NAME:

Nancy V. Atkins, MSN, RNC, NP

14. TITLE:

Commissioner

15. DATE SUBMITTED:

June 24, 2002

16. RETURN TO:

Nancy V. Atkins, MSN, RNC, NP, Commissioner
Bureau for Medical Services
350 Capitol Street, Room 251
Charleston, WV 25301-3706

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

4/16/03

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

4/1/02

20. SIGNATURE OF REGIONAL OFFICIAL:

Mary T. McSorley

21. TYPED NAME:

XXXXXXXXXX MARY T. McSORLEY

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR
DIVISION OF MEDICAID & CHILDREN'S

HEALTH

23. REMARKS:

3.1 AMOUNT, DURATION AND SCOPE OF ASSISTANCE

Covered outpatient drugs are those produced by any manufacturer, which has entered into and complied with a rebate agreement under Social Security Act § 1927(a), which are prescribed for a medically accepted indication. A covered outpatient drug does not include any drug, biological product or insulin provided as part of or incident to and in the same setting as defined in Social Security Act §1927(k)(3) for which payment includes drugs, biological products and insulin.

Limitations in Coverage

A. Exclusions and restrictions on certain drugs or classes of drugs:

1. Drugs not covered:

- a. Drugs used for anorexia or weight gain.
- b. Drugs used for cosmetic purposes or hair growth.
- c. Drugs described in §107(c)(3) of the drug Amendments of 1962 and identical, similar, or related drugs (within the meaning of §310.6(b)(1) of Title 21 of the Code of Federal Regulations ("DESI" drugs).
- d. Drugs used to promote fertility.

2. Drugs covered with limitations:

- a. Legend drugs used for the symptomatic relief of cough and colds when named as multiple source drugs in the current Federal Upper Limit (FUL) listing published by the Department of Health and Human Services, Centers for Medicare and Medicaid.
- b. Legend vitamins A, D, & K. Legend prenatal vitamins are covered for women through age 45. All legend vitamins are covered for recipients in the End Stage Renal Disease (ESRD) Program.
- c. Certain drugs identified by high cost, high risk, or high use are subject to limitations through prior authorization as to units or coverage periods as determined by the Drug Utilization Review Board.
- d. Certain drugs are limited by gender or age according to FDA approved indications. Prior authorization is available for special circumstances.
- e. Smoking cessation drugs are limited to a 12-week supply per year with prior authorization.

B. Non-legend drugs with a prescription are covered as follows: (Residents in skilled and intermediate nursing facilities are excluded). Unless otherwise specified, only generic products are covered.

1. Family planning supplies.
2. Diabetic supplies, syringes, and testing agents.
3. Multiple vitamins for children to age 18.
4. Prenatal vitamins for women through age 45.
5. Vitamins, vitamin/mineral preparations and other medications prescribed for End Stage Renal Disease (ESRD).
6. Other over-the-counter (OTC) drugs which appear on the West Virginia Medicaid approved coverage list.

3.1 AMOUNT, DURATION AND SCOPE OF ASSISTANCE

C. Quantities and Duration

1. Covered outpatient drugs are reimbursed up to a 34-day supply per prescription and up to 5 refills per prescription
2. Certain drugs are limited by quantity, number of allowable refills or duration of use.

D. Drug Rebate Agreements

The State is in compliance with §1927 of the Social Security Act. The state will cover drugs of federal rebate participating manufacturers. The state is in compliance with reporting requirements for utilization and restrictions to coverage. Pharmaceutical manufacturers can audit utilization data. The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification.

The state will be negotiating supplemental rebates in addition to the federal rebates provided for in Title XIX. Rebate agreements between the state and a pharmaceutical manufacturer will be separate from the federal rebates.

E. Preferred Drug List with Prior Authorization

1. Pursuant to 42 U.S.C. §1396r-8 and WV Code §9-5-15 the state is establishing a preferred drug list with prior authorization for drugs not included on the preferred drug list. Prior authorization will be provided with a 24-hour turn-around from receipt of request and a 72 hour supply of drugs in emergency circumstances.
2. Prior authorization will be established for certain drug classes, particular drugs or medically accepted indication for uses and doses.
3. The state will appoint a Pharmaceutical and Therapeutic Committee or utilize the drug utilization review committee in accordance with federal law.